GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:273
ANSWERED ON:03.02.2017
Data on Mobilization by way of Initial Public Offers
Ashok Kumar Shri K.

Will the Minister of FINANCE be pleased to state:

(a) whether the data on mobilization by way of initial public offers suggests that the trend did not signal a revival in capital formation and corporate investment in the broader economy, if so, the details thereof and reasons therefor; and

(b) whether a sum of Rs. 16,980 crore raised through public issue in the six months period ended 30 September, 2016 and only 23 percent accounted for fresh capital raised by companies for future expansion, if so, the details thereof; and

(c) whether some of the largest issues during this period did not see any fresh capital raised, if so, the details thereof and the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (Shri Arjun Ram Meghwal)

(a) The fresh issuance for the first nine months ended December 31, 2016 was higher at Rs.7,115 crore as against Rs.5,376 crore raised during the nine months ended December, 2015 depiciting an increase in mobilization of fresh resources by the issuer companies. The same is tabulated below:
Period ended Number of IPOs Total amount raised [including Small and Medium Enterprises − Initial Public Offer (SME IPO)] (Rs. in crore) Fresh Issuances (Rs. in crore)
April 2015- December 2015 50 12259 5376
April 2016- December 2016 70 24518 7115

(b) The data of IPOs opened during the six months period ended September 30, 2016 indicates that an amount of Rs. 17,317 crore (including SME IPOs) was raised through 57 IPOs (including 42 SME IPOs). Further, while 76% of the IPO capital (Rs.13,127 crore), was raised through Offer for Sale (OFS), 24% (Rs.4,190 crore) was raised through fresh issuance.
Period ended Number of IPOs Total amount raised [including Small and Medium Enterprises − Initial Public Offer (SME IPO)] (Rs. in crore) Fresh Issuances (Rs. in crore) Offer for Sale issuance (Rs. in crore)
April- September 2016 57 17,137
(100%) 4,190
(24%) 13,127
(76%)

(c) Out of the 20 major IPOs (excluding SME IPOs) opened during the nine months period ended December 31, 2016, 9 issues were of a size exceeding Rs.1000 crore. Of these 9 issues, 4 were pure OFS while 5 were mix of fresh issue and OFS. A table depicting the list of 9 major IPOs of a size exceeding Rs.1000 crore opened during the said period giving a break up of OFS and fresh issue component is given at Annexure-A.
*****